

United States Senator

**BOB BENNETT**

Joint Economic Committee

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# **Chairman's Opening Statement**

## **Senator Robert F. Bennett**

### **Hearing of the Joint Economic Committee**

### **"Financing Our Nation's Roads"**

### **May 6, 2003**

Good morning and welcome to today's hearing. Congress is currently contemplating the renewal of the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), the federal surface transportation program. Amidst the routine debate over the program's budget and spending formulas, some voices can be heard suggesting innovative and creative ideas. They suggest an approach that could eventually lead to a seismic change in how we fund our nation's roads. The purpose of this hearing is to examine some of these ideas.

Our roads are becoming more and more congested every day, and getting stuck in traffic has become a primary quality of life issue in many communities. When a simple trip across town becomes a logistical nightmare that chews up a good portion of a person's day, something has gone seriously wrong.

Many of the problems that challenge families today fall beyond the purview of Congress. But something as mundane as roads has real life consequences. One study found the average driver spends 62 hours each year in traffic. If we can alleviate traffic congestion so people can spend more time at home, we could go home at the end of the day having strengthened American families.

Congestion isn't a problem just for our families, it wreaks havoc with our economy. The estimated cost of traffic jams due to wasted time and fuel in 2000 was \$67.5 billion. This cost is what I call "the ghost tax of congestion," always following us around where ever we go.

Transportation makes up roughly ten percent of our nation's economy, but the importance of the transportation sector far exceeds its share of output. In a world of "just-in-time" delivery and customized production, companies cannot afford to wait for their parts to arrive or for their finished products to be delivered. Despite the heralded information revolution, businessmen still need to come together to do work. If time is money, we are certainly losing a great deal of money due to congestion on our roads.

Since the invention of the automobile our roads have been typically funded by the gasoline tax, with the federal government providing the lion's share of the money needed to build and maintain interstate highways. The ability of the gas tax to finance our network of interstate highways has deteriorated in recent years for a number of reasons. The cost of building roads has increased, inflation has eaten away the value of the tax, and gas tax revenues are not always used for roads.

Not only has our ability to fund road construction via gasoline taxes diminished, the roads themselves have deteriorated. Many of our interstate highways are nearing the end of their functional life and need to be replaced. This process will not be cheap; since the advent of the interstate highway system our understanding of how to build safe roads has increased greatly. Rebuilding our interstates will involve much more than simply putting the new road where the old one used to be.

For many of my colleagues, raising the gas tax seems to be the only solution to the challenge of maintaining our infrastructure and dealing with the problem of congestion. However, other options merit further exploration. Today we have gathered here before us a host of experts to inform us about innovative ways that communities all across the United States and the world have used to finance and construct new roads and manage the increasing traffic pressure on them. Our witnesses today are some of the nation's leading experts in transportation issues and have published widely on the issues facing our transportation system today.

Before we hear from them, a few of our colleagues have joined us to explain their legislative approach to solving this problem. Representative Mark Kennedy has introduced the FAST Act, Freeing Alternatives for Speedier Transportation, to amend toll restrictions in TEA-21. I understand Senator Wayne Allard is expected to soon introduce a similar bill here in the Senate. Representative Marilyn Musgrave, a cosponsor of the bill, can give us a state perspective as she recently chaired a transportation committee in Colorado's state legislature. We welcome your insights and we will be sure to share your testimony with the committees of jurisdiction.

To our distinguished panelists, welcome, and I look forward to your testimony.

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